

OFFICIAL FILE

ORIGINAL

ILLINOIS COMMERCE COMMISSION

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

COMMONWEALTH EDISON COMPANY

Petition to Adopt Proposed Decommissioning
Expense Adjustment Pursuant To Rider 31,
Decommissioning Expense Adjustment Clause.

No. 00-0191

ILLINOIS
COMMERCE COMMISSION
FEB 28 11 03 AM '00
CHIEF CLERK'S OFFICE

PETITION

Commonwealth Edison Company ("ComEd"), by its attorneys, petitions the Illinois Commerce Commission (the "Commission") to adopt a Rider 31 Decommissioning Expense Adjustment ("Rider 31") charge in the amount of 0.144 cents per kilowatt-hour ("kWh") as derived and set forth in Attachment A to this Petition. The proposed amount is the same as that sought by ComEd in the 1999 Rider 31 decommissioning proceeding which has been briefed and is awaiting issuance of a Hearing Examiner's Proposed Order and deliberation by the Commission in Docket 99-0115. In support of its Petition, ComEd states as follows.

1. On November 2, 1998, ComEd filed a revised Rider 31 - Decommissioning Expense Adjustment Clause ("Rider 31") with the Commission in accordance with the requirements of 220 ILCS 5/16-114. In compliance with Section 16-114, the revised Rider 31 removed decommissioning costs from ComEd's base rates and included those costs in a new tariff applicable to each category of service specified in Section 16-114. The new Rider 31, which became effective **on January 1, 1999**, continues to require ComEd to make a filing with the Commission on or before February 28 of each year computing a decommissioning expense adjustment to be applied to bills of customers for the Current Year, as defined in Rider 31.

2. On February 26, 1999, ComEd filed with the Commission a petition submitted pursuant to the terms of ComEd's revised Rider 31 computing the required

decommissioning expense adjustment. The values used in each variable were set forth in the testimony of Robert E. Berdelle submitted with the petition. Source data and the basis for **all** values in the Rider were provided in the testimony of Mr. Berdelle, in the testimony of **ComEd's** vice president Michael D. Lyster, and in the testimony of two expert witnesses, Thomas S. **LaGuardia**, President of TLG Services, Inc. and Jay K. Thayer, Vice President, Decommissioning, Duke Engineering & Services, Inc.

3. **ComEd's** February 26, 1999 petition was assigned Docket No. 99-0115 and proceedings commenced with a pre-hearing conference on March 25, 1999. Subsequent status hearings were held on October 14, 1999 and October 20, 1999. Evidentiary hearings were held on December 6 through 9, 1999. ComEd, the Staff of the Commission, the Citizens Utility Board, the People of Cook County, and the City of Chicago appeared and were represented by counsel at these hearings. Initial briefs were submitted on January 24, 2000 and reply briefs were submitted on February 14, 2000. The matter has been taken under advisement by the Hearing Examiner.

4. **ComEd's** existing decommissioning Rider 31 requires the Company to make a decommissioning filing with the Commission on or before February 28 of each year. As its filing for February, 2000, ComEd therefore petitions that the Commission approve the same decommissioning charges pursuant to Rider 31 which ComEd seeks in Docket No. 99-O 115.

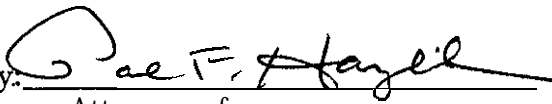
5. In its petition in Docket No. 99-0115, ComEd originally requested approval of an adjustment to Rider 31 to provide for collection of 0.155 cents per **kWh** pursuant to the Rider. During the proceedings in Docket No. 99-O 115, ComEd revised its computations to take into account agreements reached with the Staff of the Commission concerning the methodology for computing certain elements of the charges under the Rider. For example, ComEd and Staff agreed that the taxes

associated with unrealized gains on the value of securities held within the decommissioning trust funds should be reflected over a three year period rather than one year, as had been initially proposed by ComEd. As a result of inclusion of all such changes agreed to by ComEd and Staff, ComEd submitted with its Proposed Order in Docket No. 99-0115 a computation deriving Rider 31 charges in the amount of 0.144 cents per **kWh**. The computation is included as Attachment A to this Petition. It is this lesser amount of 0.144 cents per **kWh** that ComEd proposes be adopted for collection under Rider 31 in this 2000 filing.

WHEREFORE, for the reasons described in this petition, ComEd respectfully requests that the Commission adopt the Decommissioning Expense Adjustment charge set forth and derived in Attachment A to this Petition, in an amount of 0.144 cents per **kWh**.

Dated at Chicago, Illinois, this 25th day of February 2000.

Respectfully submitted,

By: 
Attorneys for
Commonwealth Edison Company

Paul F. Hanzlik
Bryan S. Anderson
Hopkins & Sutter
70 West Madison Street
Suite 4 100
Chicago, IL 60602

Rebecca J. Lauer
Deputy General Counsel
Robert E. Helfrich
Senior Counsel
Commonwealth Edison Company
125 South Clark Street
Chicago, IL 60603

STATE OF ILLINOIS)
)SS.
COUNTY OF COOK)

VERIFICATION

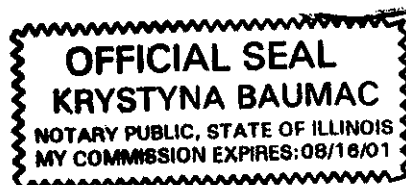
I, Robert E. Berdelle, Vice President and Comptroller of Commonwealth Edison Company and a duly authorized agent for Commonwealth Edison Company, verify that I have read the foregoing Petition of Commonwealth Edison Company to Adopt Proposed Decommissioning Expense Adjustment Pursuant to Rider 31, Decommissioning Expense Adjustment Clause, that I am familiar with the facts contained therein, and that the same are true and correct to the best of my knowledge and belief.


Robert E. Berdelle

SUBSCRIBED and SWORN to
before me this 25th day of
February, 2000.



My commission expires 8/16/01



ComEd
DECOMMISSIONING EXPENSE ADJUSTMENT CLAUSE - RIDER 31

Computed Values
February 1999
~~December~~
Adjusted ~~September~~ 1999

$$DE = \left[\frac{\sum AP(I)}{S} - \frac{RA * 100}{S} \right]$$

ZAP(I). Total Jurisdictional Cost of Service
= COS * J

= \$121.2972M

J - ICC Jurisdictional %
= 99.1%

cos - Con of Service
= SF * [(DCE * E) - (TFB * IR) - PAC]

= \$120.9333M

fee attached table for values of the below terms

DCE - Decommissioning Cost Estimate

E - Escalation Factor

TFB - Total Fund Balance

IR - Investment Rate of Return

PAC - Amortization of Prior Collections

RA * 100 - Under or over collections during previous period
= \$0.2355M (under collection)

S - Total projected sales 10 customers subject to the rider
= 84,070,000,000 KWH

$\Sigma AP(I)/S = 0.1438¢/KWH$

$RA * 100/S = 0.0003¢/KWH$

$DE = \Sigma AP(I)/S + (RA * 100)/S \cdot BDC = 0.1438 + 0.0003$

= 0.144¢/KWH

OFFICIAL FILE

I.S.C. ROCKET NO. 99-0115

Exhibit No. 14

Witness

Date 12/2/99 Reporter

Adjusted September 1999											
Unit	Year After License Expires	SF Striking Fund Factors		DCE Decommissioning Cost Estimate (BOY 1996 \$)	DCE'E Future Decommissioning Cost Estimate	TFB Fund Balances Tax Plus Non-Tax Qualified	PAC Amortization of Prior Collections	COS Cost of Service Tax + Non-Tax Qualified	Scheduled Collections 1996	Actual Collections 1996	RA Automatic Reconciliation
		T-Qual	Non T-Qual								
Dresden 1	2012	96.5	100	302,432,000	671,067,935	86,611,778	837,997	22,030,200			
Dresden 2	2007	103	102	375,268,000	605,090,615	252,902,102	1,233,522	16,170,239			
Dresden 3	2012	96.5	100	427,070,000	862,194,341	231,905,520	843,790	13,039,220			
Quad Cities 1	2012	96.5	100	253,700,000	509,630,191	173,041,456	804,766	3,074,109			
Quad Cities 2	2013	93.0	27.3	309,073,000	654,305,125	171,392,352	582,970	8,431,814			
Zion 1	2014	93.7	24.0	379,111,000	661,551,531	190,055,705	662,493	11,092,071			
Zion 2	2014	93.7	24.0	407,249,000	1,079,950,031	197,253,321	826,097	10,966,146			
LaSalle 1	2023	81.4	50.0	396,374,000	1,333,502,103	200,647,460	250,793	3,024,091			
LaSalle 2	2024	80.0	61.7	470,001,000	1,632,009,002	194,442,172	173,146	7,069,100			
Byron 1	2025	73.0	00.0	270,793,000	891,173,630	152,997,119	2,400	600,062			
Byron 2	2027	60.5	70.5	308,536,000	1,546,654,395	137,233,000	92,042	0,100,930			
Brickwood 1	2027	60.5	70.5	271,871,000	1,092,659,499	130,542,031	14,893	1,169,376			
Brickwood 2	2028	63.0	04.0	417,249,000	1,737,533,817	134,237,165	0	7,141,267			
				4,750,930,000	13,579,010,221	2,267,341,356	5,933,005	121,207,102	87,663,857	87,420,112	235,545
Escalation Rate		4.74%									
Filing Year		1999									
TQ Investment Rate of Return		7.49%									
NO Investment Rate of Return		0.63%									

ComEd Decommissioning Funding - 1999 Rider 31

Assuming Funding Through License Expiration

	cost or Service			Amortization Of	Total
	<u>Tax-Qualified</u>	<u>Nontax-Qualified</u>	<u>Total</u>	<u>Prior Collections</u>	<u>Contribution</u>
	<u>(\$000s)</u>	<u>(\$000s)</u>	<u>(\$000s)</u>	<u>Nontax-Qualified</u>	<u>Amount</u>
				<u>(\$000s)</u>	<u>(\$000s)</u>
Dresden 1*	2,455.5	19,582.8	22,038.3	838.0	22,576.3
Dresden 2	7,187.8	7,988.4	15,176.2	1233.5	16,409.8
Dresden 3	6,533.4	7,305.9	13,839.2	643.6	14,683.0
Quad Cities 1	1,699.7	2,174.4	3,874.1	604.8	4,478.9
Quad Cities 2	4,726.3	3,705.2	8,431.5	583.0	9,014.5
Zion 1	7,691.4	4,301.6	11,993.0	662.5	12,655.5
Zion 2	13,072.5	6,892.7	19,965.1	626.9	20,592.0
LaSalle 1	3,596.5	227.6	3,824.1	258.8	4,082.9
LaSalle 2	7,059.2	0.0	7,059.2	173.1	7332.3
Wyron 1	606.9	0.0	608.9	2.5	611.3
Wyron 2	6,111.7	75.3	6,186.9	02.0	6,279.0
Braidwood 1	1,142.2	17.2	1,159.4	14.9	1,174.3
Braidwood 2	7,141.3	00	7,141.3	0.0	7,141.3
Totals	69,026.1	\$2,271.1	121,297.2	5,933.8	127,231.0

* Assumes annual funding through 2011.

ComEd Decommissioning Funding - 1999 Rider 31Assumptions

1. Decommissioning estimates are based on projections prepared by the TLG servicer, Inc. consulting firm. The estimates include contingency costs, SAFSTOR costs (for Dresden Unit 1 and Zion Units 1 & 2) and costs for non-radiological material removal. The estimates, expressed in 1999 and future dollars (\$ of year following each station's end of funding period), are listed below.

<u>Unit</u>	<u>Estimate</u> <u>(\$ Millions)</u> <u>119519 \$)</u>	<u>Estimate</u> <u>(\$ Millions)</u> <u>(Future \$)</u>
Dresden 1	345.4	611.9
Dresden 2	428.6	605.9
Dresden 3	488.7	862.2
Quad Cities 1	289.8*	509.6.
Quad Cities 2	353.9'	654.3'
Zion 1	433.0	851.6
Zion 2	556.5	1,080.0
LaSalle 1	452.1	1,333.5
LaSalle 2	531.5	1,632.1
Byron 1	309.3	991.2
Byron 2	443.1	1,546.7
Braidwood 1	310.5	1,092.7
Braidwood 2	416.5	1,131.5

* ComEd Portion (75%)

2 Expenditures from the decommissioning trusts generally are assumed to be expended the year following the date specified in the TLG studies. Preparatory costs normally begin on or before the retirement year of the unit's operation. Decommissioning operation costs generally are assumed to begin shortly after license expiration. The retirement year (end of the funding period) is based on each unit's NRC license expiration. For Dresden 1, it is assumed that funding will extend through 2011, the NRC license expiration year for Dresden 3.

3. The decommissioning costs (1999 \$) are calculated at an annual rate of 4.74% from 1999 until the year that the costs are incurred in order to project the 1999 estimated costs to the future.

4. It is assumed that the non-tax-qualified fund would normally be fully expended before withdrawing from the tax-qualified fund to meet decommissioning obligations.

ComEd Decommissioning Funding - 1999 Rider 31
Assumptions

5. Non-tax-qualified contributions are deposited on or before December 31 each year while tax-qualified contributions are deposited no later than March 15 of the following year. The final year of funding as well as the expected years of decommissioning are listed below.

	<u>Final Year of Funding</u>	<u>Expected Decommissioning Years*</u>
Dresden 1	2011	2011 thru 2011
Dresden 2	2006	2007 thru 2010
Dresden 3	2011	2012 thru 2017
Quad Cities 1	2011	2013 thru 2016
Quad Cities 2	2012	2013 thru 2018
Zion 1	2013	2014 thru 2017
Zion 2	2013	2015 thru 2020
LaSalle 1	2022	2023 thru 2026
LaSalle 2	2023	2025 thru 2029
Byron 1	2024	2026 thru 2029
Byron 2	2026	2029 thru 2032
Braidwood 1	2026	2028 thru 2031
Braidwood 2	2027	2029 thru 2034

* the years in which decommissioning of each unit is estimated to be substantially complete.

6. The projected returns, asset allocations, tax-fates and calculated earnings rates for the tax-qualified and non-tax-qualified funds, for the collection periods, are provided below.

	<u>S&P 500</u>	<u>U.S. Govt. Bonds</u>	<u>Mortgage Backed Securities</u>	<u>Corp Bonds</u>	<u>Tax-Exempt Bonds</u>	<u>Total</u>
<u>Non-Tax-Qualified</u>						
Tax Rate	35%	35%	35%	35%	N/A	
After-Tax Return	8.0%	4.6%	5.35	5.1%	5.7%	
Allocation	58%	0%	0%	0%	42%	
Overall After-Tax After Fees Earnings Rate						6.83%
<u>Tax-Qualified</u>						
Tax Rate	20%	20%	20%	20%	N/A	
After-Tax Return	8.8%	5.7%	6.5%	6.25	5.7%	
Allocation	60%	20%	10%	10%	0%	
Overall After-Tax After Fees Earnings Rate						7.49%

N/A = Not Applicable

7. The projected returns, asset allocations, tax-rates and calculated earnings-rates for the tax-qualified and non-tax-qualified funds, during the dismantlement periods, are provided below.

<u>Long Term Annual Returns</u>	<u>S&P 500</u>	<u>Taxable Bonds</u>	<u>Cash</u>	<u>Non-Taxable Bonds</u>
Inflation	4.3	4.5	4.5	4.3
Premium Over Inflation	<u>6.5</u>	<u>3.2</u>	<u>1.0</u>	<u>1.2</u>
Nominal Return	11.0	7.1	5.5	5.1

Average asset allocation during dismantlement period

Equities	20%
Bonds	35%
Cash	45%
Tax-Qualified tax rate	20%
Non-Qualified tax rate	35%

Decommissioning Trust estimated returns during dismantlement period

Before-Tax Returns

Qualified Trust	7.4%
Non-Qualified Trust	6.76

After-Tax Returns

Qualified Trust	5.9%
Non-Qualified Trust	5.2%